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about a century after the passing of the act of 1689, asserted that the "bounty was demanded by the Tories . . . in return for their consenting to a land tax."<sup>1</sup> Faber, on the other hand, relying upon the report of a debate in the House of Commons in 1677 in which the Tories are said to have voted down a Whig proposal favoring the exportation of corn,<sup>2</sup> regards the Tory policy as unfavorable to a corn bounty.<sup>3</sup> Professor Cunningham accepts this position and carries it to its logical conclusion by making the bounty idea of Whig conception: the act of 1689 was in accordance with the policy of the Whigs who, he asserts, "schemed to foster the agricultural interest, ['by giving a bounty on the export of corn'] so that the landed gentry might be able to make large contributions to the expenses of government."<sup>4</sup> As a matter of fact, it was not the Whig majority of 1689 that made the corn bounty experiment but the Cavalier or Tory parliament of 1661-1679. The bounty policy formed part of the Tory, not the Whig platform.<sup>5</sup> The landed gentry, having benefited by the bounty under the act of 1673, "demanded" the enactment of a similar law in 1689.

N. S. B. GRAS.

HARVARD UNIVERSITY.

<sup>1</sup> *Memoirs* (second ed.), I. pt. II. 372.

<sup>2</sup> Grey, *Debates*, vol. iv., p. 342.

<sup>3</sup> Faber, pp. 111, 112.

<sup>4</sup> Cunningham, *op. cit.*, pp. 541, 542.

<sup>5</sup> Compare the position of Oncken, *Geschichte der Nationalökonomie*, pt. i, 202.

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## THE DUTIES ON COTTON GOODS IN THE TARIFF ACT OF 1910

The duties on cotton goods were completely overhauled in the tariff act of last year; with some change in the general system, and with considerable change in individual rates. There has been discussion as to the extent and nature of the changes. It is not easy to ascertain how

great and how important they were, since the schedule, already complicated under previous acts, has now been made still more complicated. Detailed analysis shows that, with few and unimportant exceptions, the duties either remain the same or are raised.

Taking up separately the items in the schedule, the first in order is yarn. The act of 1909 reduces the duty on grey carded yarn (not doubled). The duty on the coarsest numbers, not exceeding No. 15, is cut from three to two and one-half cents per pound; on Nos. 16 to 30 from one-fifth of a cent per number per pound to one-sixth of a cent; and on all yarn over No. 30 from one-fourth to one-fifth of a cent per number per pound. On the other hand the duty on colored, combed, or doubled yarn is practically unchanged, with a slight increase on yarn finer than No. 200. The changes are of small importance, since the duty continues to be fairly high on the finer and more costly yarns; high enough, in fact, virtually to prohibit importation.

The greatest reduction in any of the cotton duties is in the rate on card laps, roping, sliver, or roving, which is lowered from 45 per cent. to 35 per cent. But so far as importation is concerned this change has not the slightest significance. No cotton is imported in this stage of manufacture, and none would be imported even if there were complete freedom from duty.

The duties on cotton cloth, as in the previous act, are arranged according to the number of threads per square inch, counting both warp and filling. Six classes are distinguished and each of these classes is subdivided into grey, bleached, and colored cloth; and each of the subdivisions, in turn, is graded according to weight or value or both. Under the new act the system is not altered in its general features; but important changes come from application to each of the subdivisions of new specific duties graded according to value.

By the Dingley act of 1897, cloth not exceeding 50 threads per square inch was divided only according to finish, —

that is, into grey, bleached, and colored. That division is retained by the act of 1909 and with the same duties. But a new provision is made for all cloth in this class above a certain value. Similarly in the case of cloth exceeding 50 and not exceeding 100 threads per square inch, the duties on the cheaper grades are unchanged, and those on the higher grades re-adjusted. In the Dingley act a proviso had been added, as to this second class, that grey cloth not exceeding 100 ends and valued at more than seven cents should pay 25 per cent.; bleached, valued at more than nine cents, 25 per cent.; and colored, valued at more than twelve cents, 30 per cent. This series of ad valorem duties is overhauled and increased in the new act.

Certain coarsely woven cloth, called "etamine," used as foundation for embroidery work, which was relatively valuable, came in under the "countable" paragraphs, and therefore at a specific duty, after a decision of the courts in 1905. It is said that the specific duty which it paid was a small percentage of its value.<sup>1</sup> With the object — so it was stated — of preventing evasion of duty on this class of cloth, the Senate Committee introduced a new scale of duties on cloth not exceeding 100 threads per square inch, graduated according to value. But in fact this was made the occasion for raising the duties on all the more valuable cloth in each class. There are several indications that the change on "etamine" was thus made simply a pretext. In the first place, that fabric constituted but a minor part of the importations in a class in which the importations were in any case relatively small. Moreover, a simple provision for this cloth could have been made, if it had been the only target aimed at. And, finally, a comprehensive scheme of the same kind was applied to the whole series of the "countable" paragraphs, suggesting some larger purpose on the part of those who prepared it. Through Senator Aldrich, who presented it, a carefully arranged plan was carried out.

According to the plan, as settled in the new act, grey

<sup>1</sup> Congressional Record, June 1, 1909, p. 2616.

cloth not exceeding 100 threads per square inch and valued at more than seven cents per square yard is divided into five classes; bleached, valued at more than nine cents, into five classes; and colored, valued at more than twelve cents, also into five classes. The classes are arranged throughout on the basis of value. The substitution of these specific duties for the former *ad valorem* rates is the gist of the new plan. Moreover provision is also made that none of the grey or bleached cloth in these classes shall pay less than 25 per cent., and colored not less than 30 per cent. The duties have been at least maintained, and in places they have been increased.

The greater part of the cloth imported under the Dingley act fell into the next three classes, 100 to 150 threads, 150 to 200 threads, and 200 to 300 threads; the second being the most important. The duties in each class had been arranged on the same system as those on the coarser cloths, and similar provisos had been made for *ad valorem* duties on cloths above a certain value. In the new act the old specific duties, i. e., those on the cheaper grades, are again not disturbed. But the *ad valorem* rates formerly imposed on the higher grades are here also superseded, by a scale of specific duties graduated according to the value of the cloth, and with the proviso that none of the cloth shall pay less than a certain *ad valorem* duty, — that duty being in each case the same as the *ad valorem* duty imposed by the Dingley act. Here also the rates may be higher than before, but in no case can be lower.

The reasons for these changes are apparent on an examination of the importations under each subdivision and of the relative *ad valorem* duty paid in each. As the Dingley act worked in practise, the specific duties on the cheaper grades in each class were higher (in *ad valorem* equivalent) than the *ad valorem* duty on cloth above the specified value. But by far the greater part of the cloth actually imported was above that value and therefore paid the *ad valorem* duty. By introducing the new specific duties graduated according to value and adjusted so as to corre-

spond to the specific duties on the lower grades, the rate is in most cases increased above that actually paid from 1897 to 1909. Cloth which had been paying 25, 30, or 35 per cent. will now pay the equivalent of about 38 or 40 per cent., even as much as 50 per cent. in a few instances.

The object in making these changes, as stated by Mr. Aldrich and his supporters,<sup>1</sup> was to restore the rates which it had been intended to levy under the act of 1897. Yet it must have been a gross oversight in that act if these *ad valorem* rates on cloth above the specified value — 25, 30, 35 per cent. — were made five or ten per cent. lower than was intended. *Ad valorem* duties are the simplest of all, and most clearly tell their own tale. Certain it is that in no case are the duties on cotton cloth lowered by the new tariff, and that on the higher priced goods there is some increase.

Another change in the act of 1909 is the introduction of a duty of one cent per square yard upon all mercerised cloth, in addition to the duty which it has paid and will continue to pay under the countable paragraphs. The consideration that by being mercerised the cloth becomes more valuable, and hence, except for the cheapest grades, subject to a higher rate even without this additional duty, seems to have been left out of account.

The only other change in the duties on woven cotton fabrics is the abolishment of the special enumeration of cotton duck, which is now left to be taxed according to the number of threads. Under the Dingley act cotton duck paid a duty of 35 per cent. *ad valorem*, but difficulty was experienced in determining what was duck. When questioned in the Senate as to the probable result of this change Mr. Aldrich stated that the effect would be to lower somewhat the duty on the coarser grades and to raise it on the higher.<sup>1</sup> It is worth noting, however, that the greater part of the small quantity of duck imported (\$15,862 in

<sup>1</sup> Congressional Record, pp. 2613, 2614, 2834, etc.

<sup>2</sup> Congressional Record, June 7, 1909, pp. 2915, 2916.

1907) is of the higher grades, on which it was admitted the duty has been raised.

The most important change in the whole cotton schedule, however, is the increase in the duties on hosiery. For this advance the House of Representatives is responsible. The classification is not altered, but the duty on the three lower classes is materially increased. By the Dingley act cotton hosiery valued at not more than \$1. per dozen pairs was subject to a duty of 50 cents per dozen plus 15 per cent. ad valorem, which was equivalent to a duty of 68 per cent. One-half of the total quantity and one-third of the total value of hosiery imported came under this class. The new act places on this class a duty of seventy cents per dozen plus 15 per cent., which will amount to an ad valorem rate of at least 88 per cent. On the second class, valued at from \$1. to \$1.50 per dozen pairs, the duty is raised from 60 cents plus 15 per cent. to 85 cents plus 15 per cent.; and on the third class, valued at from \$1.50 to \$2. per dozen pairs, from 70 cents plus 15 per cent to 90 cents plus 15 per cent. On the higher classes the duty remains unchanged, as well it might, since the bulk of the importations falls into the three lower classes. The duty still falls most heavily on the lowest class, and on neither of the three lower classes can it be less than 60 per cent.

The object of these changes is to stimulate the manufacture in this country of full-fashioned goods, now largely imported from Germany. But that will be very difficult, for the reason that the greater part of the stockings made in the United States are knit upon circular automatic machines, which are far better adapted to American industrial conditions than are the cotton frames on which full-fashioned goods are produced. If the cheap German hose are shut out, the principal effect will probably be the stimulation of a further development of the production of seamless stockings. It is the domestic producer of seamless goods against whom the would-be manufacturer of full-fashioned hosiery must primarily contend, and against him no tariff barrier can be raised.

To sum up, the only reductions in the duties on cotton goods under the tariff act of 1909 are those on grey cotton yarn and card laps, sliver, and roving, — changes of no moment. On the other hand, throughout the schedule the duties on the higher priced goods have been raised five to ten per cent., and the duties on the cheaper cotton hosiery about twenty per cent. No attention was paid to the reduction in the cost of production resulting from technical improvements during the last fifteen years, nor to the fact that while the earnings of the operatives may be higher in this country, the product per operative is enough greater to offset, in part at least, the assumed discrepancy in labor cost. In conclusion, it might be suggested that if economy in administration were at all desired, a beginning might well be made by simplifying the intricate cotton schedules.

MELVIN T. COPELAND.

HARVARD UNIVERSITY.

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### AN AMERICAN UTOPIA

By 1840 in a number of Northern states of the Union, both manhood suffrage and free public education were accomplished facts. But the panic of 1837 and the depression of the immediately succeeding years convinced many that the ballot and the school were insufficient to guarantee democracy and human equality and convert the republic into an earthly Utopia. The old panaceas had failed to stand the test of experience; and the way was cleared for the propaganda of a new antidote for social ills. The forties and fifties brought forth the land reformer. Individual and inalienable ownership of equal farms would institute a new era, in which inequality, injustice, and oppression would vanish. Living upon an inalienable homestead, and this alone, would give "freedom to a man's vote."

In 1829-1831, George H. Evans, Robert Dale Owen, Frances Wright and a considerable portion of the working-